ARIZOTAX NEWS



Jane Dee Hull, Governor

Mark Killian, Director

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The Arizona Tax News can be downloaded by accessing our Internet webpage

www.revenue.state.az.us

Arizona Department of Revenue Mission Statement

The purpose of the Arizona
Department of Revenue is to
promote voluntary compliance
with all tax obligations through
fair administration, firm
enforcement, and prompt and
courteous service in a manner
that justifies the
highest degree of public
confidence in our efficiency
and integrity.

This month's cover story is a copyrighted article by the Associated Press regarding:

"Supreme Court to Review Navajo Tax on Hotel Guests"

Click here for the actual article

For more information about the TaxNews call 602-542-3062 or toll free 1-877-863-0655.

January 2001 Arizona Tax News

* * * **REMINDER** * * *

FOR NON-EFT TPT FILERS

To avoid a delinquency, postmark your December 2000 TPT return no later than January 25th or deliver to DOR no later than January 30, 2001.

SEPTEMBER Summary of General Fund Revenues

Individual Income Tax	<u>August 2000</u>	Fiscal Year <u>Total</u>				
Net Collections	\$216,313,558	\$516,121,899				
Percent Change *	15.3%	11.6%				
Corporate Income Tax						
Net Collections	\$151,137,752	\$178,611,806				
Percent Change *	38.1%	40%				
Transaction Privilege, Severance & Use Taxes						
Net Collections	\$243,983,596	\$738,678,854				
Percent Change *	11.8%	9.4%				
Total Big Three Tax Types						
Net Collections	\$611,434,906	\$1,433,412,559				
Percent Change *	18.6%	13.3%				

- () Decrease from same month last year.
- * Percent change from same month last year.

Individual Income Tax

Individual Income Tax Receipts

	September 00	September 99	Change
Gross Collections	\$80,345,736	\$73,625,331	9.1%
Withholding	176,490,910	159,552,145	10.6
Refunds	(7,485,367)	(14,038,584)	(46.7)
Urban Rev Sharing	(33,037,720)	(31,475,916)	5.0
Net Collections	\$216,313,558	\$187,662,977	15.3
Fiscal Year Total	(99/00)	(98/99)	Change
Fiscal Year Total Gross Collections	(99/00) \$105,769,786	(98/99) \$95,819,103	Change 10.4
	,	` /	0
Gross Collections	\$105,769,786	\$95,819,103	10.4
Gross Collections Withholding	\$105,769,786 553,279,424	\$95,819,103 505,333,162	10.4 9.5

Just a reminder that the daily interest rate will become 0.0002466 effective January 1st, 2001. The annual rate used for the 1st quarter will remain at 9% for all tax types, overpayments and underpayments.

TAX CALENDAR

JANUARY 2001

	57H (C/H(1 2001	
Due		For Period
Date		Ending
1	State Holiday - New Year's Day All State C	Offices Closed
15	State Holiday - Martin Luther King, Jr./Civ	il
	Rights Day (Observed) All State C	Offices Closed
16	Income Tax Returns:	9/30/00
	Form 120: Corporation	
	Form 140: Individual	
	Form 141: Fiduciary	
	Form 165: Partnership	
16	Form 120: Corporation with	3/31/00
	Automatic Extension	
16	Form 120S: S Corporation	10/31/00
16	Form 99: Exempt Organization	8/31/00
	Annual Information Return	
	Form 99T: Unrelated Business Income	
16	Form 120ES: Estimated Tax Payment,	
	Corporation	
	First Installment	9/30/01
	Second Installment	7/31/01
	Third Installment	4/30/01
	Fourth Installment	1/31/01
22	Form TPT-1: Transaction Privilege Tax:	
	December Monthly Filers, Quarterly	
	and Annual Filers	12/31/00
22	Bingo: Financial Reports	12/31/00
22	Luxury Tax: Various Forms	12/31/00
25	EFT Form TPT-1 and Payment:	
	Transaction Privilege Tax:	
	December Monthly Filers,	12/31/00
31	Form A1-QRT: Withholding Tax	12/31/00

Withholding Tax Payment Information:

If the average amount of Arizona income taxes withheld in the preceding four calendar quarters **exceeds** \$1,500 the employer must make its Arizona withholding payments to the Department of Revenue at the same time as the employer is required to make federal withholding deposits.

If the average amount of Arizona income taxes withheld in the preceding four calendar quarters **does not exceed** \$1,500 the employer must make its Arizona withholding payments to the department on a quarterly basis.

The Arizona Tax News is a monthly publication of the Arizona Department of Revenue. Information contained herein is of a general nature and is not designed to address complex issues in detail. Taxpayers requiring information concerning a specific tax matter should contact the appropriate office. This newsletter is available in alternative formats upon request by calling the telephone number shown below. Subscription information may be obtained from Tony Manzo at (602) 542-3062 or toll free 1 (877) 863-0655.

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New Notice on Demand Penalty

We have a new penalty called the notice and demand penalty. This penalty takes effect after a taxpayer receives a notice from the department that resulted from an error or an audit adjustment. Taxpayers will pay a penalty of 1/2% per month starting on the 21st day after the date of the notice (not to exceed 10%). All the tax types listed in ARS 42-1101 will be effected. This article applies generally to the administration of income tax, withholding tax, transaction privilege tax, telecommunication services excise tax, county excise taxes and any other privilege excise tax administered by the

department, severance tax, use tax, luxury tax, rental occupancy tax, estate tax, tax on water use and jet fuel excise and use tax.

- The new penalty statute in ARS 42-1125 takes effect on January 1, 2001.
- ➤ The late filing penalty is now 4.5% per month instead of 5% (not to exceed 25%).
- > The late payment penalty is 1/2% per month up to a maximum of 10% instead of the old flat 10% penalty.

IRS Interest Rates (Over/Under Payments)

The Internal Revenue Service has announced that that interest rates for the calendar quarter beginning January 1,2001 will remain the same for both underpayments and overpayments. Therefore our interest rates will remain at 9% for underpayments and will also remain at 9% for

overpayments.

Under the tax Reform Act of 1986, the reate of interest is determined on a quarterly basis. The overpayment/underpayment rates are now the same as we have conformed to the 1999 I.R. C., passed during the 1999 Legislative Session.

O.A.F.R. (Office of Alternative Fuel Recovery)

The Office of Alternative Fuel Recovery will begin operations on Monday December 18th. The office hours will be 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding State holidays.

Governor Hull signed an executive order on December 14th setting up the Recovery Office as the one location to answer the public's questions about the alternative fuel program.

A packet of information is being sent this week to everyone who has already signed up for the program. It will provide information and forms necessary to participate and the pertinent deadlines. Office of Alternative Fuel Recovery State Capitol, West Wing 1700 West Washington, Suite 103 Phoenix, Arizona 85007

Phone Number: 602-364-3401 Toll Free: 866-529-3961 Direct Fax: 602-364-3410 Demand Fax (forms): 602-364-3409

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Software Vendors Who Have Met Approval

ATX Forms Inc

CCH Inc.

CCH Inc.

CCH Inc.

CCH Inc.

CCH Inc.

ATX Forms Inc

CCH Inc.

Exactax

H & R Block
Intuit

NELCO Inc.

STF Service Corp

Individual Forms					X			X	
131			X		X				
140 IA					X				
140					X		X		
140 Sch A		X	X			X	X	X	X
140A							X		
140PY					X		X		
140PY Sch A(PY)	X	X	X		X		X	X	X
140PY Sch A(PYN)	X	X	X		X	X	X	X	X
140NR						X			
140NR Sch A(NR)	X	X	X		X		X	X	X
140PTC			X				X	X	X
140X	X				X	X		X	
201			X					X	
202		X	X			X		X	
221			X		X		X		
Business Forms									
51		X							
120		X	X				X		
120A							X		
120S		X							
120S Sch K-1(NR)		X	X						
120ES			X	X					
120EXT		X	X						
120X		X	X						
122		X	X						
220		X	X				X		
165		X	X	X			X		
165- Sch K-1		X	X	X			X	X	
165 Sch K-1(NR)		X	X	X			X	X	

Tax practitioners who are considering the use of a software package to prepare Arizona tax forms should verify with the Department of Revenue that the software considered has been approved. All tax forms must be approved by the department prior to usage. Each specific form must have approval. The following is a list of those software vendors that have met the Department of Revenue's approval for the 2000 income tax forms, various business forms and reports, and miscellaneous forms up to the print date of this issue.

Continued On Page 5

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Software Vendors Who Have Met Approval

ATX Forms Inc.

CCH Inc.

CCH Inc.

CCH Inc.

CCH Inc.

CCH Inc.

Exactax

H & R Block

Intuit

NELCO Inc.

STF Service Corp.

Other Forms							
74						X	
76						X	
141	X	X					
141Sch K-1	X	X				X	
141 Sch K-1(NR)	X	X				X	
A-1R		X					
A1 QRT		X					
Credit Forms							
300	X	X					
301	X		X				
308	X	X					
309		X	X		X	X	
310		X			X	X	
313						X	
322	X	X				X	
323	X	X	X		X	X	
324	X	X	X		X	X	
325	X					X	
AZ-140V				X		X	
AZ-8453				X			

Please note: Some of the listed software packages do not provide sufficient room for the pre-printed label. Please cut the label to fit the available space or place it so that pertinent information is not covered.

Correction

In the November 2000 Arizona TaxNews, on page 6, in the section titled 2000 Transaction Privilege Tax Legislative Summary there is a summary for SB1055: County Juvenile Facilities (CH. 387). The summary states that counties have the authority to impose an excise tax or ad valorem tax for juvenile facilities if the majority of qualified electors approve it. This legislation does not do that. SB 1055 (Laws 2000, Ch. 387) - Appropriates \$100,000 from the state general fund in FY 2001-2002 to the county jail juvenile improvement fund for the construction of juvenile beds in county jail facilities.

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2000 ARIZONA INCOME TAX FORMS BULK ORDER

Phone number: ()	Instructions for ordering: Please fill in the name and address for shipping. Indicate the number of forms
Name:	requested on the lines next to each form number. Add
	together the subtotals from each column and calculate the
Address:	fees in the box at the bottom, based on \$8.00 per 100
City/State/ZIP	forms or portion thereof (e.g. 101 forms is \$16.00).

QTY	Form Number	QTY	Form Number	QTY	Form Number
	131		140NR - I		221
	140		140NR Sch. A(NR)		221 - I
	140 - I		140ES		141
	140 Sch. A		140ES - I		141 - I
	140A		140 IA		141 K-1
	140A - I		140PTC		141 K-1(NR)
	140EZ		140PTC - I		210
	140EZ - I		140X		74
	140PY		140X - I		76
	140PY - I	-	200		76GS
	140PY Sch. A(PY)		201		285
	140PY Sch. A(PYN)		202		51
	140NR		204		99 / 99T

Subtotal Subtotal Subtotal Subtotal

QTY	Form Number	QTY	Form Number	QTY	Form Number	QTY	Form Number
	120		120X - I		305		318
	120 - I		122		306		319
	120A		165		307		320
	120A-I		165 - I		308		321
	120S		165 K-1		309		322
	120S - I		165 K-1(NR)		309 - I		323
	120S K-1(NR)		220		310		324
	120ES		220 - I		312		325
	120ES - I		300		313		326
	120EXT		301		314		327
	120W		302		315		328
	120X		304		316		

Subtotal Subtotal Subtotal Subtotal Subtotal

Total number of CDs______@ \$15.00 = \$______

Total number of Booklet X______@ \$8.00 = \$______

Total number of forms______@ \$8.00 per portion of 100 = \$______

GRAND TOTAL DUE = \$

State & Federal Tax Forms Available on Compact Disc

1998, 1999 & 2000 State Forms Are Fillable

Make checks payable to: Arizona Department of Revenue. **Do not send cash!** Mail orders to FORMS, Arizona Department of Revenue, PO Box 29069, Phoenix AZ 85038-9069. Any orders with incomplete information, or those unaccompanied by proper payment will be returned. No refunds will be granted. Orders received after January 31, 2001 will be shipped within two days of receipt, via USPS. Out of stock items will be back-ordered and shipped separately. If you have any questions, call 602-542-1981 or 1-800-493-8080 (toll-free in Arizona).

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Form Number Individual	Title	Form Number Miscellaneous	Title
131	Claim for Refund on Behalf of Deceased Taxpayer	220	Corporate Underpayment of Estimated Tax
140	Resident Personal Income Tax Return	220 - I	Instructions for Form 220
140 - I	Instructions for Form 140	141	Fiduciary Income Tax Return
140 Sch. A	Itemized Deduction Adjustments	141 - I	Instructions for Form 141
140A	Resident Personal Income Tax Return (Short Form)	141 K-1	Resident or Part-Year Resident Beneficiary's Share of Income
140A - I	Instructions for Form 140A	141 K-1(NR)	Nonresident Beneficiary's Share of Income
140EZ	Resident Personal Income Tax Return (EZ Form)	210	Notice of Assumption of Fiduciary Duties
140EZ - I	Instructions for Form 140EZ	74	Report of Personal Representative of Decedent
140PY	Part-Year Resident Personal Income Tax Return	76	Estate Tax Return and Instructions
140PY - I	Instructions for Form 140PY	76GS	Generation-Skipping Transfer Tax Return and Instructions
140PY A(PY) 140PY A(PYN)	Itemized Deductions for Part-Year Resident Itemized Deductions for Part-Year Resident with Nonresident Income	285	General Disclosure/Representation Authorization Form and Instructions
140NR 140NR - I	Nonresident Personal Income Tax Return Instructions for Form 140NR	Credits	
140NR A(NR)	Itemized Deductions for Nonresident	300	Corporate Tax Credits and Recapture
140ES	Individual Estimated Tax Payment	301	Nonrefundable Individual Tax Credits and
140ES - I	Instructions for Form 140ES		Recapture
140 IA	Individual Income Tax Installment Agreement Request Property	302	Defense Contracting Credits
140PTC	Tax Refund (Credit) Claim	304	Enterprise Zone Credit
140PTC - I	Instructions for Form 140PTC	305	Environmental Technology Facility Credit
140X	Individual Amended Return	306	Military Reuse Zone Credit
140X - I	Instructions for Form 140X	307	Recycling Equipment Credit
200	Request for Innocent Spouse Relief and Separation of Liability and	308	Research and Development Expenses Credit
	Equitable Relief	309	Credit for Taxes Paid to Another State or Country
201	Renter's Certificate of Property Taxes Paid and Instructions	309 - I	Instructions for Form 309
202	Personal Exemption Allocation Election	310	Credit For Solar Energy Devices
204	Extension for Filing (Individual and Fiduciary Returns)	312	Agricultural Water Conservation System Credit
221	Underpayment of Estimated Tax By Individuals	313	Alternative Fuel Vehicle (AFV) Credit
221 - I	Instructions for Form 221	314	Underground Storage Tanks Credit
Business		315	Pollution Control Credit
Duomiooo		316	Construction Materials Credit
51	Combined or Consolidated Return Affiliation Schedule	318	Credit for Taxes Paid for Coal Used in Generating Electrical Power
99 / 99T	Exempt Organization Annual Information Return /	319	Credit for Solar Hot Water Heater Plumbing Stub Outs and
	Exempt Organization Business Income Tax Return	317	Electric Vehicle Recharge Outlets
	and Instructions	320	Credit for Employment of TANF Recipients
120	Corporate Income Tax Return	321	Credit for Contributions to Charitable Organizations
120 - I	Instructions for Form 120	JZ 1	That Provide Assistance to The Working Poor
120A	Corporation Income Tax Return (Short Form)	322	Credit for Fees Paid to Public Schools
120A - I	Instructions for Form 120A	323	Credit for Contributions to School Tuition Organizations
120S	S Corporation Income Tax Return	324	Credit for Continuations to School Patitor Organizations Credit for Donation of Motor Vehicle to Wheels to Work Program
120S - I	Instructions for Form 120S	324	Agricultural Pollution Equipment Credit
120S K-1(NR)	Nonresident Shareholder's Share of Income and	325	Credit for Alternative Fuel Systems
	Deductions	326	Vehicle Refueling Apparatus Credit
120ES	Corporate Estimated Tax Payment	327	Neighborhood Electric Vehicle (NEV) Credit
120ES - I	Instructions for Form 120ES	328	Neighborhood Electric Vehicle (NEV) Credit
120EXT	Extension for Filing (Corporation, Partnership, and	320	
120W	Estimated Tax Worksheet for Corporations		
120X	Exempt Organization Returns)		
	Amended Corporate Income Tax Return	Booklet X	Compilation of all State Income Tax Forms
120X - I	Instructions for Form 120X		
122	Authorization and Consent of Subsidiary		
	Corporation to be Included in a Consolidated		
	Tax Return	Compact Disc	State tax forms for 1995, 1996, 1997, 1998, 1999 and 2000
165	Partnership Income Tax Return		assorted business tax forms, department rulings and
165 - I	Instructions for Form 165		procedures, e-file manual and selected federal tax forms.
165 K-1	Resident Partner's Share of Income Return		
165 K-1(NR)	Nonresident Partner's Share of Income Return		

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State of Arizona Department of Revenue Forms and Tax Information CD-ROM 2000 Edition

Includes:

- ➤ Arizona tax forms and instructions from 1995 2000
- Department of Revenue Tax Rulings
- > Department of Revenue Tax Procedures
- > Department of Revenue Private Taxpayer Rulings
- > Arizona Department of Revenue Annual Report 2000
- > Arizona E-File Manual

Also Includes:

> Internal Revenue Service Forms & Instructions for 2000



To order call or write: License and Registration PO Box 29069 Phoenix, Arizona 85038-9069 Phone: 602-542-1981

Toll free: 1-800-493-8080 Cost: \$15.00